



# COASTER INTERNATIONAL CO., LTD

## 稽核處 Internal Audit Office

The Internal Audit Office is an independent Dept. with Chief Auditor who report directly to the BOD. The primary function is to assist the BOD and manager team check and review the internal control effective of each activity and reasonable achieved the goal as below:

- (1) Reliability finance reporting
- (2) Effectiveness and efficiency of operations
- (3) Compliance the applicable laws, regulations.

In other for management to fully understand the efficiency of internal control and deficiency of existing or potential, the work content of the internal auditor includes:

- Formulate an audit plan based in risk assessment and submit to the Audit Committee and Board of Directors, subsequent amendments thereto shall be effect the same manner.
- Perform the audit work in accordance with audit plan which approved by BOD, and attendance BOD and Audit Committee quarterly meeting to report the audit result and follow-up reports.
- Pursuant to the Article 15 of Regulation Governing Establishment of Internal Control Systems by Public Companies, after internal auditor had presented the audit and follow-up report shall submit the same document for review by the Independent Directors before the end of the month following the completion of the audit. If internal auditor discovering any material violation or likelihood of material damage to the company shall promptly prepare and present a report and notify the Independent Directors.
- Submit the review result of the self-inspection and the consequent of each audit activity to ensure the efficiency of Internal Control System. It serves as the primary basis for the BOD and general manager to evaluate the overall efficacy of all internal control systems and issue the Declaration of Internal Control System

Appointment or discharge of Chief Auditor should be submitted for approval by resolution of the Audit Committee and BOD, related matters of compensation should be submitted for resolution by Remuneration Committee. Assessment and compensation of member of Internal Audit Office shall be submitted by the Chief Auditor to Chairman for approval.

The BOD and Audit Committee appointed the Chief Auditor on May 6, 2016 and Remuneration Committee approved the compensation matters by at the same day. Currently, we assigned 1full-time who has CIA in Internal Audit Office.